AGENDA

KANSAS LOTTERY GAMING FACILITY REVIEW BOARD

10:30 a.m., Thursday, April 10, 2008

Via telephone conference: 1-877-278-8686 (participant PIN 813463)

A. CALL TO ORDER

B. APPROVAL OF THE AGENDA

C. BOARD ITEMS

1. Discussion, consideration and approval of a Review Board meeting schedule

Staff Presentation:

Stephen Martino, Executive Director

Attached:

Staff memorandum and proposed schedules

2. Discussion, consideration and approval of a Review Board evaluation matrix

Staff Presentation:

Jay Hall, Review Board Liaison

Attached:

Staff memorandum and proposed matrix

3. Discussion, consideration and possible action on a potential conflict of interest involving a Review Board consultant

Staff Presentation:

Stephen Martino, Executive Director

Attached:

Staff memorandum

4. Discussion and update on Flunder et. al. v. Kansas Lottery, et. al.

Staff Presentation:

Patrick Martin, Assistant Attorney General

Attached:

Staff memorandum and petition

5. Discussion of a Review Board Budget

Staff Presentation:

Stephen Martino, Executive Director

Attached:

Staff memorandum

- D. PUBLIC COMMENTS
- E. STAFF REPORTS
 - 1. Executive Director
 - 2. Chief Gaming Officer
 - 3. Assistant Attorney General
- F. OTHER MOTIONS
- G. ADJOURNMENT

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 10, 2008

AGENDA ITEM: Discussion, consideration and possible action on adopting a schedule for Review Board meetings

PRESENTER: Stephen Martino, Executive Director

ISSUE SUMMARY: At its March 21 meeting, the Lottery Gaming Facility Review Board was presented a proposed schedule for future meetings. At that meeting, the board instructed staff to examine whether the schedule presented could be refined. Two alternative schedules have been prepared for the board's consideration.

Consideration of proposals from each gaming zone is broken into a four-meeting effort: one in the gaming zone itself, two in Topeka and one by conference call. It is organized accordingly:

Meeting 1: In-zone

Management proposal presentations Management experts' presentations Kansas Lottery Commission comments Public comments

Meeting 2: Topeka

Review Board experts' presentation

Meeting 3: Conference call

Follow-up questions to managers, managers' experts, board experts, staff

Meeting 4: Topeka

Follow-up reports, if any, from managers and their experts, board experts, staff Background and security fitness reports

Vote

This schedule was built making two assumptions: that the Lottery will not deliver contracts from any gaming zone until their extended deadlines to do so and that the Review Board will seek its statutorily allowed 60-day extensions for each zone. At this time, it is difficult to predict with precision how much time Review Board consultants will need to complete their work, but for planning purposes it is best to assume that all time allowed under the statute will be needed.

BOARD ACTION REQUIRED/REQUESTED: Adopt a Review Board meeting schedule.

Proposed Review Board meeting schedule No. 1:

Topeka meeting to discuss consultant reports for gaming zone market potential studies: May 16 (date based on consultant availability)

Southeast gaming zone (Cherokee County):

Meeting 1: Ju

June 30

Meeting 2:

July 10 and 11

Meeting 3:

July 29

Meeting 4:

August 21 and 22

South Central gaming zone (Sumner County):

Meeting 1:

July 1 and 2

Meeting 2:

July 10 and 11

Meeting 3:

July 29

Meeting 4:

August 21 and 22

Southwest gaming zone (Ford County):

Meeting 1:

July 23

Meeting 2:

August 14 and 15

Meeting 3:

August 21 and 22 (in-person in Topeka)

Meeting 4:

September 4 and 5

Northeast gaming zone (Wyandotte County):

Meeting 1:

July 30 and 31

Meeting 2:

August 14 and 15

Meeting 3:

August 21 and 22

Meeting 4:

September 4 and 5

Meeting 1: In-zone

Management proposal presentations

Management experts' presentations

Kansas Lottery Commission comments

Public comments

Meeting 2: Topeka

Review Board experts' presentation

Meeting 3: Conference call

Follow-up questions to managers, managers' experts, board experts, staff

Meeting 4: Topeka

Follow-up reports, if any, from managers and their experts, board experts, staff

Background and security fitness reports

Vote

Proposed Review Board meeting schedule No. 2:

Topeka meeting to discuss consultant reports for gaming zone market potential studies: May 16 (date based on consultant availability)

Southeast gaming zone (Cherokee County):

Meeting 1: July 7

Meeting 2: July 10 and 11

Meeting 3: August 5 (by phone)

Meeting 4: August 13, 14 and 15

South Central gaming zone (Sumner County):

Meeting 1: July 8 and 9

Meeting 2: July 10 and 11

Meeting 3: August 5 (by phone)

Meeting 4: August 13, 14 and 15

Southwest gaming zone (Ford County):

Meeting 1: July 22

Meeting 2: August 13, 14 and 15

Meeting 3: August 21 (by phone)

Meeting 4: September 4 and 5

Northeast gaming zone (Wyandotte County):

Meeting 1: July 24 and 25

Meeting 2: August 13, 14 and 15

Meeting 3: August 21 (by phone)

Meeting 4: September 4 and 5

Meeting 1: In-zone

Management proposal presentations Management experts' presentations

Kansas Lottery Commission comments

Public comments

Meeting 2: Topeka

Review Board experts' presentation

Meeting 3: Conference call

Follow-up questions to managers, managers' experts, board experts, staff

Meeting 4: Topeka

Follow-up reports, if any, from managers and their experts, board experts, staff Background and security fitness reports

Vote

Proposed Review Board meeting schedule No. 3:

Topeka meeting to discuss consultant reports for gaming zone market potential studies: May 16 (date based on consultant availability)

Southeast gaming zone (Cherokee County):

Meeting 1: July 9

Meeting 2: July 23 and 24

Meeting 3: August 5 (by phone)

Meeting 4: August 21 and 22

South Central gaming zone (Sumner County):

Meeting 1: July 10 and 11

Meeting 2: July 23 and 24

Meeting 3: August 5 (by phone)

Meeting 4: August 21 and 22

Southwest gaming zone (Ford County):

Meeting 1: July 31

Meeting 2: September 2 and 3

Meeting 3: September 9

Meeting 4: September 18 and 19

Northeast gaming zone (Wyandotte County):

Meeting 1: August 13, 14 and 15

Meeting 2: September 2 and 3

Meeting 3: September 9 (by phone)

Meeting 4: September 18 and 19

Meeting 1: In-zone

Management proposal presentations

Management experts' presentations

Kansas Lottery Commission comments

Public comments

Meeting 2: Topeka

Review Board experts' presentation

Meeting 3: Conference call

Follow-up questions to managers, managers' experts, board experts, staff

Meeting 4: Topeka

Follow-up reports, if any, from managers and their experts, board experts, staff

Background and security fitness reports

Vote

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 10, 2008

AGENDA ITEM: Discussion, consideration and approval of a Review Board evaluation matrix

PRESENTER: Jay Hall, Review Board Liaison

ISSUE SUMMARY: During the Feb. 20, 2008, meeting the Review Board requested that an evaluation matrix be developed that could be used by the Review Board and its consultants in evaluating casino manager applications in all gaming zones.

At the March 21, 2008, meeting, the board was presented with a draft of an evaluation matrix for review and discussion. At that time, the board instructed staff to review the draft matrix and submit a final version for board approval.

Staff and board consultants have reviewed the evaluation matrix with the feedback of the board in mind and are presenting this final version approval.

BOARD ACTION REQUIRED/REQUESTED: Approve the proposed evaluation matrix and authorize the executive director to contact casino manager applicants to fill out an approved Lottery Gaming Facility Review Board evaluation matrix.

goli panys i vanie								
-	Unit of Measure							
PROJECTED DATE OF OPENING:	DD/MM/YYYY	The state of the s						
		2009	2010	2011	2012	2013	2014	2015
Annual Spending by Residents at the Lottery Gaming Facility						·		
Total spending by residents per year (Note: distinguish between residents who gamble (Resident								
Gaming Visitors) and residents with do not gamble (Resident Non-Gaming Visitors)								
Resident Gaming Visitors								
Accommodation	ક							
Food & Beverage	ક્ક							
Retail	မာ							
Gaming	\$							
Tickets to events, concerts, shows	ક્ક					***************************************		
Other spending	क							
TOTAL spending by gaming visitors (residents)	\$	1	ı	ı	1	J	'	1
Posident Non-Gaming Visitors								
Accommodation	₩.							
Food & Beverage	€							
Retail	49							
Tickets to events, concerts, shows	€>							
Ticketed attractions	69							
Other spending	€							

Company's Name								
Please submit 5-year projections, starting from the date of opening	Unit of Measure							
PROJECTED DATE OF OPENING:	AAAAJININ/QQ							
		2009	2010	2011	2012	2013	2014	2015
TOTAL spending by non gaming visitors (residents)	ક્ર							
Total Spending by Residents								
Gamina	\$							***************************************
Non Gaming	\$							
TOTAL SPENDING BY RESIDENTS AT	₩							
SOURCES OF EXPENDITURES AT LOTTERY GAMING FACILITY: For the following questions, provide your best estimates, based on your economic models							•	
Percent of Spend that would have occurred within the region*								
	%							***************************************
Percent of Spend that would have taken place outside the region**								
	%							
Percent of Spend that comes from new income generated in the region***								
	%							
				!				

	The state of the s							
	A THE PART OF THE PROPERTY OF THE PROPERTY OF THE PROPERTY OF THE PART OF THE							
Please submit 5-year projections, starting from the date of opening	Unit of Measure							
PROJECTED DATE OF OPENING:	DD/MM/YYYY							
		2009	2010	2011	2012	2013	2014	2015
	No							
	No.		***************************************					
Tourist Gaming Visitors								
Accommodation	\$							
Food & Beverage	€>							
Retail	\$							
Gaming	\$							
Tickets to events, concerts, shows	\$							
Other spending	ક્ક							
TOTAL spending by gaming visitors	69							
(tourists)								
Tourist Non-Gaming Visitors								
Accommodation	ક્ક							
Food & Beverage	₩							
Retail	↔							
Gaming	\$							
Tickets to events, concerts, shows	↔							
Other spending	(A)							
TOTAL spending by non-gaming	69							
visitors (tourists)		f	-	,	-	-	-	+
TOTAL SPENDING BY TOURISTS AT								
LOTTERY GAMING FACILITY								

д сд су	**	What proportion of Tourist visitor spending would not have occurred within the region if the Lottery Gaming Facility did not exist?	%	SOURCES OF EXPENDITURES AT LOTTERY GAMING FACILITY: For the following questions, provide your best extimates, based on your economic	DD/MM/YYYY 2009 2010 2011 2012 2013 2014	Unit of Measure			
---------	----	---	---	--	---	-----------------	--	--	--

Company's Name								***************************************
Please submit 5-year projections,	Unit of Measure							
PROJECTED DATE OF OPENING:	DD/MM/YYYY			***************************************				
		2009	2010	2011	2012	2013	2014	2015
TOTAL DIRECT, INDIRECT., AND INDUCED INCREASES IN SPENDING IN THE REGION, PER YEAR (SPEND)	43							
ESTIMATED AGGREGATE PERSONAL INCOME IN THE REGION (API)	49							
RATIO OF SPEND/API	#							
Instructions to Proposers								
The intent of this section is to provide a foundation to estimate the amount of new direct spending (from import substitution by residents and newly injected spending by tourists), and then to estimate the indirect increases in expenditure brought about in the region via a regional expenditure multiplier process								

EMPLOYMENT INFORMATION	Ճ	URING		OPERATIONS'	S' PHASE	SE OF	LOTTE	TERY GAMING	MING FACIL	ILITY
Company's Name										
Please submit 5-year projections,	Unit of Measure					******				
starting from the date of operfling	COCCURRANCE					***************************************				
PROJECTED DATE OF OPENING:										
		2009	2010	2011	2012	2013	2014	2015		
No. of FTE Workers employed within the Lottery Gaming Facility	#									
General and Administrative										
Professionals, Managers,	7					***************************************				
Executives and Technicians	#									+
Clerical Workers, Sales and Service Workers	#									
Production and Transport								. —		
Operators, Laborers and Cleaners	#									
Cacino										
Trees and a second										
Professionals, managers, Executives and Technicians	#									
Dealers and game supervisors	#									
Clerical Workers, Sales and Hosts	#									
Security and surveillance	#									
Cleaners	#									
Other	#									
Hotel										
Professionals, Managers,										

Company's Name											
Please submit 5-year projections,	Unit of Measure										
starting from the date of opening					,						
PROJECTED DATE OF OPENING:	DD/MM/YYYY										
		2009	2010	2011	2012	2013	2014	2015			
No. of FTE Workers employed within the Lottery Gaming Facility	#										
Clerical Workers, Sales and Marketing Staff	#										
Room cleaners, housekeeping	#										
Other	##										
Food and Beverage	-										
Professionals, Chefs, Managers, Executives and Technicians											
	#										
Clerical Workers, Sales and	#								***************************************		
Food preparers and servers,	#										
Other	#			·							
Other (including convention,											
Professionals, Managers,											
Executives and Technicians	#										
Clerical Workers, Compliance, Accounting, and Sales	#										
Human Resources	#									***************************************	
Other	#						***************************************				
Others (please specify)											

.

Company's Name										
Please submit 5-year projections,	Unit of Measure									
starting from the date of opening										
PROJECTED DATE OF	DD/MM/YYYY					***************************************				
OPENING:										
		2009	2010	2011	2012	2013	2014	2015		
A STATE OF THE PARTY OF THE PAR										
No. of FTE Workers employed								****		
within the Lottery Gaming Facility	*									
Professionals, Managers,										
Executives and Technicians	#									
Clerical Workers, Sales and	:									
Service Workers	##									
Production and Transport										
Operators, Laborers and									******	
Cleaners	#									
						!				
TOTAL EMPLOYED BY THE LGF										
	#									

***************************************	***************************************									

ETE-full fime parijusiant										
ר וחייותו ווווף בקטועמונווי										

PAYROLL INFORMATION DURING	RING OPERATIONS'	ATIONS	3	PHASE OF		ERY G	AMING	LOTTERY GAMING FACILITY	<u></u>	
Company's Name										
Please submit 5-year projections, starting from the date of opening	Unit of Measure				***					
CTED DATE OF OPENING:	DD/MM/YYY						*******			
		0000	0,700	2024	2012	2013	2014	2015		
		8007	2010	70.1	2102	2107	1	2		
Total Payroll of Workers employed within the Lottery Gaming Facility, including cost of paid benefits such as health insurance, unemployment insurance, worker's compensation, retirement.										
General and Administrative										
Professionals, Managers, Executives and Technicians										
Clerical Workers. Sales and Service Workers										
Production and Transport Operators, Laborers and Cleaners										
Casino										
Professionals, Managers, Executives and Technicians										
Dealers and game supervisors										
Clerical Workers, Sales and Hosts										
Security and surveillance										
Cleaners										
Other										
Hotel										
Professionals, Managers, Executives and Technicians										***************************************
Clerical Workers, Sales and Marketing Staff										

Room cleaners, housekeeping supervisors			
Other			
The state of the s			
Food and Beverage			
Professionals, Chefs, Managers, Executives and			
Fechnicians Clerical Morkers Sales and Service Morkers		***************************************	
Food preparers and servers, Hosting staff, and			
Cleaners			
Other			
Other (including convention, entertainment,			
retail, etc.)			
Professionals, Managers, Executives and			
Technicians			
Clerical Workers, Compliance, Accounting, and			
Sales			
Human Resources	Appendix and the second		
Other			
Others			
Professionals, Managers, Executives and			
Technicians			***************************************
Clerical Workers, Sales and Service Workers			
Production and Transport Operators, Laborers and			
Cleaners			
TOTAL PAYROLL (INCLUDING BENEFITS) FOR THE I GF			
Apple 1888 1888 1888 1888 1888 1888 1888 18			
		_	

Consolidated Pro-Forma Income and Expenditure Statement for the LGF Consolidated Pro-Forma Income and Expenditure Statement for the LGF Amount in the content of the conte			7					
Unit of Measure DOMBANYYYY 2009 2010 2011 2014 2014	Consolidated Pro-Forma Income and Expe	nditure Stat	ement for 1	the LGF				***************************************
Unit of Measure Doublawry TY	Amounts in thousands of dollars							
2009 2010 2011 2013 2014 2014 2009 2019 2014 2014 2014 2015 2014 2014 2014 2015 2014 2014 2014 2015 2014 2014 2014 2015 2014 2014 2014 2015 2014 2014 2015 2015 2015 2015 2015 2015 2015 2015	Please submit 5-year projections, starting from the date of opening	Unit of Measure						
ENUE (from below) in mineral time and personnel segments and Ameritation in departments) ENATMENTAL INCOME ENATMENTAL AND ADMINISTRATIVE ENDITURE ENDIT	PROJECTED DATE OF OPENING:	DD/MM/YYYY						
REVENUE (from below) Casino		2009	2010	2011	2012	2013	2014	2015
Casino	REVENUE (from below)							
Highed Expension	Casino							
Food Find Parenage	Hotel							
Eleverage Convention	Food							
Convention Convention Exercision Consideration	Beverage			Liver Local Control Co				
Einerfairmment	Convention							
Cuber Cube	Entertainment							
Construction	Retail							
Gross Revenues Iess. : cost of sales Gross Margin DEPARTMENTAL EXPENSES (from below) DEPARTMENTAL INCOME DEPARTMENTAL INCOME CENERAL AND ADMINISTRATIVE EXPENDITURE Complementary expense (not reported in departments) Depreciation - Buildings Department - Buildings	Other			***************************************				
DEPARTMENTAL EXPENSES (from below) DEPARTMENTAL EXPENSES (from below) DEPARTMENTAL INCOME	Gross Revenues							
Gross Margin Gross Margin DEPARTMENTAL EXPENSES (from below) PEPARTMENTAL EXPENSES (from below) GENERAL AND ADMINISTRATIVE Complemental and Promotion EXPENDITURE Advertising and Promotion Bad debit expense Complemental vexicus (not reported in departments) Complemental vexicus (not reported in departments) Depreciation and Amontzation Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.) Energy Expense (electricity, gas, etc.)	less: cost of sales							
DEPARTMENTAL EXPENSES (from below) Compension of Expension and Promotion and Advertising and Promotion and Promoti	Gross Margin							
DEPARTMENTAL EXPENSES (from below) Page 1 DEPARTMENTAL INCOME Page 2 GENERAL AND ADMINISTRATIVE Page 3 EXPENDITURE Page 3 Advertising and Promotion Bad debt expense Advertising and Promotion Bad debt expense Complementally expense (not reported in departments) Page 3 Depreciation and Amortization Page 3 Energy Expense (electricity, gas, etc.) Equipment tental or lesse Interest expense Payroll texts Payroll texts Payroll complexed to the page 3 Payroll complexed to the page 3 Payroll complexed to the page 3								
DEPARTMENTAL INCOME GENERAL AND ADMINISTRATIVE CEXPENDITURE Advertising and Promotion Complementary expense (not reported in departments) Depreciation - Buildings Depreciation and Amondization Depreciation and Amondization Equipment rental or lease Equipment rental or lease Interest expense Interest expense Payroll taxes Payroll taxes Payroll taxes Payroll taxes Payroll taxes Payroll cores Payroll cores	DEPARTMENTAL EXPENSES (from below)							
DEPARTMENTAL INCOME CENTIFY GENERAL AND ADMINISTRATIVE CENTIFY EXPENDITURE Advertising and Promotion Bad olable repense Complementary expense (not reported in departments) Depreciation - Buildings Depreciation and Amortization Depreciation and Amortization Depreciation and Amortization Equipment rental or lease Interest expense electricity, gas, etc.) Equipment rental or lease Interest expense Interest expense Payroll Employee benefits Payroll is a payroll - officers Payroll is a payroll - officers								
GENERAL AND ADMINISTRATIVE GENERAL AND ADMINISTRATIVE EXPENDITURE Advertising and Promotion Bad debt expense Complementary expense (not reported in departments) Depreciation and vincings Depreciation and vincitation Energy Expense (electricity, gas, etc.) Equipment rental or lease Interest expense Payroll it axes Payroll - Employee benefits Payroll - officers								
GENERAL AND ADMINISTRATIVE Complementary expense EXPENDITURE Advertising and Promotion Advertising and Promotion Advertising and Promotion Advertising and Promotion Bad debt expense Complementary expense (not reported in departments) Betweet additions Depreciation - Buildings Betweet acts Depreciation and Amortization Betweet acts Equipment tental or lease Betweet acts Interest expense Branch taxes Payrol - Employee benefits Bayrol - Employee benefits Payrol - Officers Bayrol - Officers	DEPAKIMENIAL INCOME				***************************************			***************************************
GENERAL AND ADMINISTRATIVE Combining and Promotion Complemental or lease EXPENDITURE Advertising and Promotion Advertising and Promotion Bad debt expense Complemental or reported in departments) Complemental or reported in departments) Depreciation - Buildings Complemental or lease Complemental or lease Depreciation and Amortization Energy Expense (electricity, gas, etc.) Equipment rental or lease Equipment rental or lease Interest expense Equipment rental or lease Interest expense Payroll it axes Payroll - Employee benefits Payroll - Officers								
EXPENDITURE Component of the expense of t	GENERAL AND ADMINISTRATIVE							
Advertising and Promotion Advertising and Promotion Bad debt expense (not reported in departments) Complementary expense (not reported in departments) (not reported in departments) Depreciation - Buildings (not reported in departments) Depreciation and Amortization (not reported in departments) Energy Expense (electricity, gas, etc.) (not reported in departments) Interest personnent rental or lease (not reported in departments) Interest personnent rental or lease (not reported in departments) Payroll taxes (not reported in departments) Payroll taxes (not reported in departments) Payroll - Employee benefits (not reported in departments) Payroll - Officers (not reported in departments)	EXPENDITURE							
Bad debt expense Complementary expense (not reported in departments) Pomplementary expense (not reported in departments) Complementary expense (not reported in departments) Popreciation - Buildings Depreciation - Buildings Popreciation - Buildings Depreciation and Amortization Popreciation - Buildings Energy Expense (electricity, gas, etc.) Popreciation - Buildings Interest expense Payroll taxes Payroll taxes Payroll - Employee benefits Payroll - Officers Payroll - Officers	Advertising and Promotion							
Complementary expense (not reported in departments) Complementary expense (not reported in departments) Depreciation - Buildings Paper description of the paper	Bad debt expense							
Depreciation - Buildings Percentage Depreciation and Amortization Pepreciation and Amortization Energy Expense (electricity, gas, etc.) Equipment rental or lease Equipment rental or lease Interest expense Interest expense Payroll taxes Payroll taxes Payroll - Employee benefits Payroll - Officers Payroll - Officers	Complementary expense (not reported in departments)		.,					
Depreciation and Amortization Depreciation and Amortization Energy Expense (electricity, gas, etc.) Equipment rental or lease Equipment rental or lease Interest expense Interest expense Payroll taxes Payroll taxes Payroll - Employee benefits Payroll - Officers Payroll - Officers	Depreciation - Buildings							
Energy Expense (electricity, gas, etc.) Equipment rental or lease Equipment rental or lease Interest expense Interest expense Payroll taxes Payroll taxes Payroll - Employee benefits Payroll - Officers Payroll - Officers	Depreciation and Amortization							
Equipment rental or lease Equipment rental or lease Interest expense Payroll taxes Payrol Laxes Payroll - Employee benefits Payrol - officers Payroll - officers	Energy Expense (electricity, gas, etc.)		***************************************		***************************************			
Interest expense Payrol taxes Payrol - Employee benefits Payrol - Officers	Equipment rental or lease		***************************************					
Payroll taxes Payroll taxes Payroll - Employee benefits ————————————————————————————————————	Interest expense							
Payroil - Employee benefits Payroil - Officers	Payroll taxes							
Payroli - officers	Payroil - Employee benefits							
	Payroll - officers							

Town Day Cotota			
Taxes and I jourses - Other	ALL PROPERTY OF THE PROPERTY O		
Itilities (other than Finerry Expenses)			
Other General and Administrative expenses			
TOTAL GENERAL AND ADM. EXPENDITURE			
NET INCOME BEFORE FEDERAL INCOME TAX			
DEPARTMENTAL INCOME STATEMENTS			***************************************
CASINO DEPARTMENT			
REVENUE			
Pit Revenue (including keno, bingo)			***************************************
Electronic gaming machines	ALCOHOLOGICAL CONTRACTOR CONTRACT	 Luciani	
Poker and other non-banked card games			
TOTAL REVENUE			
DEPARTMENTAL EXPENSES			
Bad debt expenses			
Commissions			
Complementary expenses			
Gaming taxes and licenses			
Preferred guest expenses			
Payroll taxes			
Payroll - Employee Benefits			
Payroll - Officers			
Payron - Other Elitoroyees			
Dispersed a sort connects			
Picture guest expenses			
HOTAL EVENINEED			
TOTAL CASINO INCOME			***
TOTAL CASE OF THE COMPLETE			
HOTEL DEPARTMENT			
REVENIE			
Doom Color			
NOTH Safes			

.

COLUMN C						
TOTAL REVENUE	Complementary rooms					
DEPARTMENTAL EXPENSES Endeside Sequences Baid debit degreeses Engineer Sequences Baid debit degreeses Engineer Sequences Payroll Lower Sequences Payroll Lower Sequences Payroll Lower Sequences Payroll Lower Sequence Payroll Lower Sequence Payro	TOTAL REVENUE					
Dic PATRIMENTAL EXPENSES Dic PATRIMENTAL EXPENSES Compliantering regress Page di delt generes Perrol Lines Perrol Lines Perrol Compliantering Perrol Compliantering Perrol Compliantering Perrol Compliantering Perrol Compliantering Perrol Compliantering Perrol Lincome Perrol Compliantering FOOD DEPARTMENT Perrol Sales TOTAL HOTEL INCOME Processing Food observations Perrol Compliantering Code of sales Perrol Compliantering Code of sales Perrol Compliantering Code of sales Perrol Code Sales Configuration expenses Perrol Code Sales Configuration expenses Perrol Code Sales TOTAL HOTEL INCOME Perrol Code Sales TOTAL HOTEL INCOME Perrol Code Sales Portol Sales Perrol Code Sales TOTAL HOTEL INCOME Personal Sales REVERAGE DEPARTMENT Personal Sales						
BEVERANGE BEVERIAL BY Complementary expresses Payord Lexical Payord Lexical Payord Lexical Food DEPARTIMENT Payord Lexical RECORD EXPARTIMENTAL EXPENSES Payord Lexical Complementary Food Sales Payord Lexical Conglineding Payord Lexical Payord Lexical Payord Lexical Payor	DEPARTMENTAL EXPENSES					
Favorit Levels	Bad debt expenses					
Period tucoss Period tucoss Period tucoss Period tucoss Period tucoss Period tucoss Period conference Period tucoss TOTAL HOTEL INCOME Period tucoss Period tuco	Complementary expenses					
Perrol - Cinces Perrol - Cince Cinces Perrol - Cince Cinces Perrol - Cince Cinces Perrol Cinces Perrol Lexa Cinces Perrol Lexa Cinces TOTAL HOTEL INCOME Cost of Sales TOTAL EXPENSES Perrol Cinces	Payroli faxes					
Payrol Officers	Payroil - Employee Benefits					
Pervol Lecentrial Bychess	Payroll - Officers				***************************************	
Payori Laces Payori Laces	Payroli - Other Employees					
Payrol Excest TOTAL EXPENSES	Other Departmental Expenses					
TOTAL EXPENSES TOTAL HOTEL INCOME FOOD DEPARTMENT FOOD DEPARTMENT REVENUE Cond States Cond States TOTAL REVENUE Continued and Food States GORD STATE EXPENSES Bad debt expenses Paycol Lates Paycol Lates Paycol Lates Paycol Lates Paycol Lates Paycol Complemental Expenses Paycol Complemental Expenses Paycol Lates Paycol Complemental Expenses Paycol Complemental Expenses Paycol Lates Paycol Complemental Expenses Pay	Payroll taxes					
TOTAL HOTEL INCOME FOOD DEPARTMENT REVENUE FOOD Sales Complementary Food Sales Complementary Food Sales TOTAL REVENUE Cost of Sales Conditioned to openies Cost of Sales Conditioned to openies Conditioned to openies Departmental Expenses TOTAL EXPENSES	TOTAL EXPENSES					
TOTAL HOTEL INCOME County Calculation FOOD DEPARTMENT County Calculate FOOD STATE REVENUE County Calculate FOOD STATE REVENUE County Calculate TOTAL REVENUE County Calculate GROSS MARGIN County Calculate DEPARTMENTAL EXPENSES Complimental expenses Bad debt expenses Complimental expenses Payrol Libror Payrol Calculate Payrol Libror Payrol Libror Cheer Departmental Expenses Control Libror Other Departmental Expenses Control Libror Cheer Libror Cheer Libror Cheer						
FOOD DEPARTMENT REVERIUE REVERIUE Conditionmentary Food Sales TOTAL REVENUE Cost of sales GOSS WARGIN DEPARTMENTAL EXPENSES GROSS WARGIN DEPARTMENTAL EXPENSES GROSS WARGIN DEPARTMENTAL EXPENSES Cost of sales <	TOTAL HOTEL INCOME					
FOOD DEPARTMENT FOOD DEPARTMENT REVENUE FOOD General Proof Sales Complementary Food Sales FOOD Sales TOTAL REVENUE FOOD SALES GOSS MARGIN FOOD SALES DEPARTMENTAL EXPENSES FOOD SALES DEPARTMENTAL EXPENSES FOOD SALES CONDITION SALES FOOD SALES CONDITION SALES FOOD SALES Payroll taxes FOOD SALES Other Departmental Expenses FOOD SALES TOTAL HOTEL INCOME FOOD SALES TOTAL HOTEL INCOME FOOD SALES REVENUE FOOD SALES REVENUE FOOD SALES REVENUE FOOD SALES						
REVENUE Prod Sales Food Sales Prod Sales Food Sales Prod Sales TOTAL REVENUE Product Revenue Cost of sales Product Revenue GROSS MARGIN Production of Revenues Bad debt expenses Pavol investmental expenses Pavol investmental Expenses <th>FOOD DEPARTMENT</th> <th></th> <th></th> <th></th> <th></th> <th></th>	FOOD DEPARTMENT					
Food Sales	REVENUE					
Complementary Food Sales Complementary Food Sales TOTAL REVENUE Cost of sales GROSS MARGIN Cost of sales GROSS MARGIN Cost of sales GROSS MARGIN Cost of sales DEPARTMENTAL EXPENSES Cost of sales DEPARTMENTAL EXPENSES Cost of sales Control Employees Cost of sales Payroll cases Cost of sales Payroll cases Cost of sales Payroll classes Payroll classes Payroll classes Payroll classes TOTAL EXPENSES Cost of sales TOTAL HOTEL INCOME Expension BEVERAGE DEPARTMENT Revenue Sales REVENUE Revenue Sales	Food Sales	,				
TOTAL REVENUE Cost of sales GROSS MARGIN Cost of sales GROSS MARGIN Cost of sales Bad debt expenses Complimental expenses Bad debt expenses Complimental expenses Payroll caxes Payroll caxes Payroll caxes Payroll caxes Payroll caxes Payroll caxes TOTAL EXPENSES Payroll caxes TOTAL HOTEL INCOME Payroll caxes REVERAGE DEPARTMENT Payroll caxes REVENUE Payroll caxes	Complementary Food Sales					
Cost of sales GROSS MARGIN DEPARTMENTAL EXPENSES 6 DEPARTMENTAL EXPENSES 8 DEFACTIVE STORIES 8 DEFACTIVE STORIES 8 Complimental expenses 8 Complimental Expenses 8 Payroll - Office Temployees 9 Other Departmental Expenses 9 Payroll stories 9 Payroll taxes 1 Payroll stories 9 Payroll stories 9 Payroll taxes 1 Payroll stories 1	TOTAL REVENUE					
Cost of sales Cost of sales GROSS MARGIN Percentage DEPARTMENTAL EXPENSES Percentage Bad debt expenses Percentage Complimental expenses Percentage Payroil - Officers Percentage Payroil - Officers Percentage Payroil - Officers Percentage Payroil - Officers Percentage Payroil - Complexes Percentage Characteristic Repeated Percentage TOTAL EXPENSES Percentage TOTAL HOTEL INCOME Percentage BEVERAGE DEPARTMENT Percentage Reversale Sales Percentage						
DEPARTMENTAL EXPENSES Percentage DEPARTMENTAL EXPENSES 8 DEPARTMENTAL EXPENSES 8 Departmental expenses 8 Complimental expenses 9 Payroil taxes 9 Payroil - Other Employees 8 Other Departmental Expenses 9 Payroil taxes 9 Cher Departmental Expenses 9 Payroil taxes 1 TOTAL EXPENSES 1 TOTAL HOTEL INCOME 8 BEVERAGE DEPARTMENT 8 REVEND Sales 8 Revenue Sales 9	Cost of sales					
DEPARTMENTAL EXPENSES DEPARTMENTAL EXPENSES Bad delet expenses 6 Compliance of expenses 6 Compliance of expenses 6 Payroll Laxes 6 Payroll - Employees 6 Payroll - Other Employees 6 Cother Departmental Expenses 7 Payroll taxes 7 TOTAL EXPENSES 7 TOTAL HOTEL INCOME 7 BEVERAGE DEPARTMENT 8 REVENDER 8 REVENDER 8	GROSS MARGIN					
DEPARTMENTAL EXPENSES DEPARTMENTAL EXPENSES Bad debt expenses 6 Payroll invest Payroll investigation Payroll						
Bad debt expenses Payoric Exployee Benefits Complimentary expenses Payoric Employee Benefits Payoric Employee Benefits Payoric Employee Benefits Payoric Employee Benefits Payoric Employee Payoric Employees Payoric Employees Other Departmental Expenses Payoric Expenses TOTAL EXPENSES Payoric Expenses TOTAL HOTEL INCOME Payoric Expenses BEVERAGE DEPARTMENT Payoric Expenses BEVERAGE DEPARTMENT Payoric Expenses	DEPARTMENTAL EXPENSES					
Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll - Chip remployee Benefits Payroll - Officers Payroll - Other Employees Description - Other Employees Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL HOTEL INCOME BEVERAGE DEPARTMENT BEVERAGE DEPARTMENT REVENUE Beverage Sales	Bad debt expenses			***************************************		
Payroll taxes Payroll taxes Payroll - Employee Benefits ————————————————————————————————————	Complimentary expenses					
Payroli - Employee Benefits Payroli - Employee Benefits Payroli - Officers Payroli - Officers Payroli - Officers Payroli - Officers Other Departmental Expenses Payroli taxes TOTAL EXPENSES TOTAL EXPENSES TOTAL HOTEL INCOME BEVERAGE DEPARTMENT BEVERAGE DEPARTMENT BEVERAGE DEPARTMENT REVENUE Beleverage Salas	Payroll taxes		***************************************			
Payroll - Officers Payroll - Officers Payroll - Other Employees 6 Other Departmental Expenses 6 Other Departmental Expenses 7 Payroll (axes 7 TOTAL EXPENSES 7 TOTAL HOTEL INCOME 8 BEVERAGE DEPARTMENT 8 REVENUE 8 Reverance Salace 8	Payroli - Employee Benefits					
Payroll - Other Employees Other Departmental Expenses Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL HOTEL INCOME TOTAL HOTEL INCOME EBEVERAGE DEPARTMENT REVENUE Reverse Sales	Payroll - Officers					***************************************
Other Departmental Expenses Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL HOTEL INCOME EVERAGE DEPARTMENT BEVERAGE DEPARTMENT EVENUE REVENUE Revision Salacs	Payroll - Other Employees					
Payroll taxes Payroll taxes TOTAL EXPENSES Control of the contr	Other Departmental Expenses					***************************************
TOTAL EXPENSES Control Expension	Payroll taxes					
TOTAL HOTEL INCOME TOTAL HOTEL INCOME BEVERAGE DEPARTMENT	TOTAL EXPENSES		-			
TOTAL HOTEL INCOME Control Median BEVERAGE DEPARTMENT Control Median REVENUE Control Median						
BEVERAGE DEPARTMENT REVENUE REVENUE	TOTAL HOTEL INCOME					
BEVERAGE DEPARTMENT Control of the property of the pro						
REVENUE Reviewants Salate	BEVERAGE DEPARTMENT					
Raviorana Salas	REVENUE					
	Beverage Sales					

TOTAL REVENUE Cost of sales GROSS MARGIN DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Payroll - Employee Benefits Payroll - Officers Payroll - Officers Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Cost of sales GROSS MARGIN DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Payroll taxes Payroll - Officers Payroll - Officers Payroll - Other Employees Other Departmental Expenses Payroll taxes TOTAL EXPENSES		
Cost of sales GROSS MARGIN		
GROSS MARGIN DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll - Officers TOTAL EXPENSES TOTAL BEVERAGE INCOME		
DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll - Officers TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Bad debt expenses Complimentary expenses Complimentary expenses Payrol taxes Payroll - Officers Payroll - Officers Payroll Spenses Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Complimentary expenses Payroll taxes Payroll - Employee Benefits Payroll - Officers Payroll - Other Employees Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Payroll taxes Payroll - Employee Benefits Payroll - Officers Payroll - Other Employees Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Payroll - Employee Benefits Payroll - Officers Payroll - Other Employees Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Payroll - Officers Payroll - Other Employees Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Payroll - Other Employees Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Other Departmental Expenses Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
Payroll taxes TOTAL EXPENSES TOTAL BEVERAGE INCOME		
TOTAL EXPENSES TOTAL BEVERAGE INCOME		
TOTAL BEVERAGE INCOME		
TOTAL BEVERAGE INCOME		
CONVENTION DEPARTMENT		
REVENUE		
Total Sales		
Complementary Sales		
TOTAL REVENUE		
Cost of sales		
GROSS MARGIN		
DEPARTMENTAL EXPENSES		
Bad debt expenses		
Complimentary expenses		
Payroll taxes		
Payroll - Employee Benefits		
Payroll - Officers		
Payroll - Other Employees		
Other Departmental Expenses		
Payroll taxes		
TOTAL EXPENSES		
TOTAL CONVENTION INCOME		

ENTERTAINMENT DEPARTMENT REVENUE Total Sidess TOTAL REVENUE Considerative Secrets Confidential Secrets Total ENTERIAL EXPENSES TOTAL ENTERTAINMENT INCOME RETAIL RECKENUE Confidential Sides TOTAL ENTERTAINMENT INCOME TOTAL ENTERTAINMENT INCOME TOTAL ENTERTAINMENT INCOME TOTAL ENTERTAINMENT INCOME TOTAL REVENUE Confidential Sides TOTAL REVENUE Confidential Sides TOTAL REVENUE Confidential Secrets Confidential Secrets					
EVILERTAINMENT DEPARTMENT EVILERTAINMENT DEPARTMENT REVENUE					
FEVENUE Consideration	ENTERTAINMENT DEPARTMENT	 			
Total Subset Total Subset Total Subset Total Revenue Cond of subset GROSS MARGIN					
Condenselent Sales Condenselent Sales TOTAL KREVENUE Code of sales GROSS MARGIN Code of sales GROSS MARGIN Code of sales Bad deld cognesses Complimental cyclesses Complimental cyclesses Complimental cyclesses Complimental cyclesses Complimental cyclesses Payori Library Complimental cyclesses Payori Library Complimental cyclesses Payori Library Complimental cycles TOTAL EXPENSES Complimental cycles Total Complimental cycles Cost of sales Cost of sales Cost of sales <	Total Salas				
TOTAL REVENUE Cost of tables	Complementary Sales				Manual Property of the Party of
Cost of select Cost	TOTAL BEVENIT				
Cost of select Cost					
DEPARTMENTAL EXPENSES Procession DEPARTMENTAL EXPENSES Procession Bear debt expenses Procession Band debt expenses Procession Concilionation excesses Percentage Payori Configuration Percentage Payori Configuration Percentage Payori Configuration Percentage TOTAL EXTENTINIMENT INCOME Percentage RETAIL REVENUE TOTAL EXPENUE Percentage Configuration Percentage Configuration Percentage Configuration Percentage Payori Configuration Percentage Payori Configuration Percentage Payori Configuration Percentage Payori Configuration Payori Configuration	Cost of sales				
DEPARTMENTAL EXPENSES DEPARTMENTAL EXPENSES Bad debt expenses Page of the configuration expenses Pago of the configuration of the co	GROSS MARGIN				
DEPARTMENTAL EXPENSES Page of the properses Complianterial control search Page of the propess Consideration of the page of the pa					
Bad debt expenses Compliance Complianc	DEPARTMENTAL EXPENSES				
Complimentary expenses Particul taxes	Bad debt expenses				
Payroli taxes	Complimentary expenses				
Payrol - Emploree Benefits Payrol - Emploree Benefits	Payroll (axes				
Payroll - Officers Payroll - Officers	Payroll - Employee Benefits				
Payroli - Other Employees Payroli - Other Employees	Payroll - Officers				
Other Departmental Expenses Other Departmental Expenses Payoil laxes 1 TOTAL EXPENSES TOTAL ENTERTAINMENT INCOME 1 COTAL ENTERTAINMENT INCOME RETAIL 1 COTAL ENTERTAINMENT INCOME REVENUE 2 Complementary Sales TOTAL Sales 2 Complementary Sales TOTAL Sales 2 Cost of sales Gost of sales 3 Cost of Sales GROSS MARGIN 3 Cost of Sales Benefit expenses 4 Cost of Sales Cost of sales 4 Cost of Sales	Payroll - Other Employees				
Payroli taxes	Other Departmental Expenses				
TOTAL EXPENSES Control Sales Cost of	Payroll taxes				
TOTAL ENTERTAINMENT INCOME Control RETAIL RETAIL REVENUE Complementary Sales Total Sales Complementary Sales TOTAL REVENUE Cost of sales Cost of sales Cost of sales Cost of sales Control GROSS MARGIN Complementary expenses Bad debt expenses Complementary expenses Payroll taxes Payroll taxes Payroll control Payroll control Payroll - Office of Sales Payroll - Office of Sales Payroll - Office of Sales Payroll - Office of Sales Payroll - Office of Sales Payroll - Office of Sales	TOTAL EXPENSES				
TOTAL ENTERTAINMENT INCOME Control RETAIL REVENUE REVENUE Control Total Sales Complementary Sales Complementary Sales Control Cost of sales Cost of sales GROSS MARGIN Control DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Complimentary expenses Complimentary expenses Complimentary expenses Payroll (axes) Payroll (axes) Payroll (axes) Payroll (axes) Payroll - Officers Payroll - Officers					
RETAIL REVENUE REVENUE Complementary Sales Total Sales Cost of sales Total Camplementary Sales Cost of sales GROSS MARGIN Cost of sales GROSS MARGIN Complementary expenses Bad debt expenses Complementary expenses Payroll tamely expenses Payroll complementary expenses Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers	TOTAL ENTERTAINMENT INCOME				
RETAIL REVENUE REVENUE Complementary Sales Complementary Sales Cost of sales Cost of sales Cost of sales GROSS MARGIN Bad debt expenses Complimentary expenses Payroll Laxes Complimentary expenses Payroll Canal Ca					
REVENUE Februar Total Sales Complementary Sales Complementary Sales Cost of sales Cost of sales Cost of sales GROSS MARGIN Ead debt expenses Complimentary expenses Payroll - Employee Benefits Payroll - Employee Benefits Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers	RETAIL		,		
Total Sales Complementary Sales Complementary Sales Conscience TOTAL REVENUE Cost of sales Cost of sales Cost of sales GROSS MARGIN Complementary expenses Bad debt expenses Complimentary expenses Payroll - Employee Benefits Payroll - Employees Benefits Payroll - Other Employees Payroll - Other Employees	REVENIE				
Complementary Sales Complementary Sales TOTAL REVENUE Cost of sales Cost of sales Cost of sales GROSS MARGIN Cost of sales Bad debt expenses Cost of sales Bad debt expenses Cost of sales Payroll taxes Payroll taxes Payroll taxes Payroll cost Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers	Total Sales				
TOTAL REVENUE Cost of sales Cost of sales Cost of sales GROSS MARGIN Control DEPARTMENTAL EXPENSES Bad, debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Other Employees Payroll - Other Employees	Complementary Sales				
Cost of sales Cost of sales GROSS MARGIN Control in the strength of the superior	TOTAL REVENUE				
Cost of sales Cost of sales GROSS MARGIN Payorial complimentary expenses Payorial taxes Payorial taxes Payorial taxes Payorial taxes Payorial - Officers Payorial taxes Payorial taxes					
GROSS MARGIN Complementary expenses Complimentary expenses Complimentary expenses Payroll - Employee Benefits Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers	Cost of sales				
DEPARTMENTAL EXPENSES Bad. debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll - Employee Benefits Payroll - Officers Payroll - Officers Payroll - Officers	GROSS MARGIN				
DEPARTMENTAL EXPENSES Pack of debt expenses					
Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll - Employee Benefits Payroll - Officers Payroll - Officers Payroll - Officers	DEPARTMENTAL EXPENSES				***************************************
Complimentary expenses Complimentary expenses Payroll taxes Payroll - Employee Benefits Payroll - Officers Payroll - Officers Payroll - Officers Payroll - Officers	Bad, debt expenses				V. A. S.
Payroli taxes Payroli - Employee Benefits Payroli - Officers Payroli - Other Employees	Complimentary expenses				
Payroli - Employee Benefits Payroli - Officers Payroli - Other Employees	Payroll taxes				
Payroll - Officers Payroll - Other Employees	Payroil - Employee Benefits				
Payroll - Other Employees	Payroll - Officers				
Other Dandymant Language	Payroll - Other Employees				
	Other Departmental Expenses				

TOTAL EXPENSES COTAL EXPENSES TOTAL RETAIL INCOME (please specify) OTHER DEPARTMENTAL INCOME (please specify) Conplementary Sales Total Sales Complementary Sales TOTAL REVENUE Cost of sales Cost of sales Cost of sales GROSS MARGIN Cost of sales Bad debt expenses Complementary systems Bad debt expenses Complementary systems Payroll exercises Complementary systems Payroll exercises Complementary systems Payroll exercises Complementary systems Payroll exercises Complementary systems	
TOTAL RETAIL INCOME COTAL RETAIL INCOME Payroll Lex OTHER DEPARTMENTAL INCOME (please specify) (please specify) (please specify) REVENUE (consplementary Sales) (please specify) (please specify) TOTAL REVENUE (please specify) (please specify) (please specify) Cost of sales (please specify) (please specify) (please specify) Cost of sales (please specify) (please specify) (please specify) DEPARTMENTAL EXPENSES (please specify) (please specify) (please specify) Departmentary expenses (please specify) (please specify) (please specify) Payroll laws (please specify) (please specify) (please specify)	
TOTAL RETAIL INCOME (please specify) OTHER DEPARTMENTAL INCOME (please specify) (please specify) REVENUE (please specify) Total Sales (please specify) TOTAL REVENUE (please specify) Cost of sales (please specify) Cost of sales (please specify) GROSS MARGIN (please specify) DEPARTMENTAL EXPENSES (please specific	
OTHER DEPARTMENTAL INCOME (please specify) Control REVENUE Complementary Sales Total Sales Complementary Sales TOTAL REVENUE Cost of sales Cost of sales Cost of sales GROSS MARGIN DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes	
OTHER DEPARTMENTAL INCOME (please specify) Page 1 REVENUE Page 2 Total Sales Complementary Sales Complementary Sales Complementary Sales TOTAL REVENUE Cost of sales GROSS MARGIN DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll taxes Payroll - Employee Benefits Payroll - Employee Benefits	
REVENUE Complementary Sales Total Sales Complementary Sales Complementary Sales Cost of sales Cost of sales Cost of sales GROSS MARGIN Bad debt expenses Complimentary expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll taxes	
REVENUE Fevenue Total Sales Complementary Sales Complementary Sales Expenses Cost of sales Expenses GROSS MARGIN Expenses DEPARTMENTAL EXPENSES Expenses Complimentary expenses Expenses Complimentary expenses Expenses Payroll taxes Expense Payroll taxes Expense Payroll taxes Expense	
Total Sales Complementary Sales Complementary Sales Cost of sales Cost of sales Cost of sales GROSS MARGIN Complementary expenses Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll taxes	
Complementary Sales Complementary Sales TOTAL REVENUE Cost of sales GROSS MARGIN Complementary expenses Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll taxes	
TOTAL REVENUE Cost of sales Cost of sales Cost of sales GROSS MARGIN Complementation DEPARTMENTAL EXPENSES Description Bad debt expenses Complimentary expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll - Employee Benefits Payroll - Employee Benefits	
Cost of sales Cost of sales GROSS MARGIN Complementation of the systems of the system of the sy	
Cost of sales Cost of sales GROSS MARGIN Complementation DEPARTMENTAL EXPENSES Expenses Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll taxes	
GROSS MARGIN DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Payroll taxes Payroll - Employee Benefits	
DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Complimentary expenses Payroll taxes Payroll taxes Payroll - Employee Benefits	
DEPARTMENTAL EXPENSES Bad debt expenses Complimentary expenses Payroll taxes Payroll - Employee Benefits	_
Bad debt expenses Complimentary expenses Payroli taxes Payroli - Employee Benefits	
Complimentary expenses Payroll taxes Payroll - Employee Benefits	
Payroll taxes Payroll - Employee Benefits	
Payroll - Employee Benefits	
Payroll - Ufficers	
Payroli - Other Employees.	
Other Departmental Expenses	
Payroll taxes	
TOTAL EXPENSES	
TOTAL OTHER DEPARTMENTAL INCOME	

CONSTRUCTION PHASE IN	FORM/	VION	DURIN	G OPE	RATIO	NS PH	ASE OF	LOT	ERY G	FORMATION DURING OPERATIONS PHASE OF LOTTERY GAMING FACILITY	FACIL	Щ
Company's Name	L											
ng from	Unit of					,						
PROJECTED DATE OF OPENING:	DD/MM/YYY											
	-											
		2008	2009	2010								***************************************
Donot investment												
Pixed asset investment												
Buildings												
Land and land improvements												
Public sector infrastructure												
Rolling stock		***************************************										
Furniture, Fixtures and Equipment												
Floor and Wail Treatments												
Gaming equipment												
Others												
TOTAL INVESTMENT										***************************************		
Source of Funds for Investment												
Percent each year from:												
Construction Loan												
Working Capital from Parent Company												
Sale of Equity Other (please explain)												
Athe following figures on a Quarterly basis		2008-1V	2009-1	2009-11	2009-111	Z009-IV	2010-1	2010-11	201.0-111	2010-1V		

7	
Development Ellipioyment Data	
Construction Employment	
A STATE OF THE PART OF THE PAR	
Average vyage ber employee	
Total construction payroll	
Total collegions and the	
Average Renefits ner employee	
Original paragraphy	
Other eynenses ner employee	
and and another than	
Cost of materials from region	
Cost of materials from duiside of region	
Other Development Expenses	

		2014 2015																			
		2013 2																			
		2012																			
:		2011																			
	***************************************	2010																			
		2009																			
			Units of Measure	₩.	%	49 6	%	σ.	%	6	* % %		\$%	0/		#	#	*	8	٠	
	Company's Name PUBLIC SECTOR IMPACTS OF LGF		Population Growth # of Construction Employees or LGF Employees who will be new residents to the area	Infrastructure Costs Roads/Streets Improvements	% Paid by Developer % Paid by Public Sector	Water/Sewer Improvements	% Paid by Developer % Paid by Public Sector	Storm Drains	% Paid by Developer % Paid by Public Sector	Law Enforcement Building, New	or improved % Paid by Developer ਆ ਸਮੁੱਖ ਇਸ Ditable Sector	% Faid by Fubilic Sector	Fire Station, New or Improved % Paid by Developer	% Paid by Public Sector	Operating Costs	chool System # of Additional K-12 students	Estimated number of additional	K-12 support staff	Add't salary cost-teachers	Add't salary cost-support starr Estimated number of additional	

																	THE PARTY OF THE P										A SALAMAN AND AND AND AND AND AND AND AND AND A
# papaeu suous padaeu	ifade	of ancillary K-12 needed #	Estimated cost of additional rolling stock \$	Law Enforcement	add't personnel	Uniform	lary/benefits	Uniform Linform	on-salary	expense (services/supplies) \$	expense	expense (computers, equipment)	Profession	Fire Floredini	Non-Uniform #	penefits	Uniform	Non-Uniform \$	Estimated add't non-salary	expense (services/supplies)	Estimated add't rolling stock	expense	expense (computers, equipment) \$	THE PARTY OF THE P	- Control Control	Ampulative Service Entirested # of add4 personnel	WINGEL 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2

									***************************************		Attributable to this	project and its	collegeductives								***************************************				
										2015	ĺ														
										2014															
										2013		***********													
										2012								ļ							
:										2011															
										2010															
										2009	2003	********													
æ	P 6	A		æ		99	6	Ą		***************************************			e	₽ 6	A U	•		မာ	÷	•	A 6	A	> 6	P	
								n H					erty Tax)								8				
l bishows	Unitorim	Non-Unitorm	Estimated add't non-salary	expense (services/supplies)	Estimated add't rolling stock	expense	Estimated add't capital outlay	expense (computers, equipment)		Bublic Soofer Bougano	DIIC Sector Revellae		Change in Ad Valorem Tax (Property Tax)	State	County	CILY	Sales and Use Tax	County	City	LGF Gaming Revenue	Exp. Lottery Act Revenue Fun	Problem Gambling Fund	Cilles	County	

	PLEASE NOTE WHAT YOU CONSIDER TO BE THE TEN MOST IMPORTANT FEATURES OF YOUR PROPOSAL.	What factors of your proposal are most distinctive in making it more attractive to Kansas and its residents than a "generic" gaming facility that could be developed within this zone?	er) features in 250 words or less for each.						
·	PLEASE NOTE WHAT YOU CONSIDER TO BE THE TEN I	What factors of your proposal are most distinctive in ma that could be developed within this zone?	Please provide descriptions of ten (or fewer) features in 250 words or less for each.	1.	3.	5.	7.	9,6	10.

ening (in months)		
Description rd of license to opening (in months) ary facility if applicable ent facility stment in project uare footage el rooms		
ening (in months)		
ening (in months)		
ening (in months)	Unit of Measure	
Temporary facility if applicable Permanent facility otal investment in project asino square footage o. of hotel rooms	#	
Permanent facility stal investment in project asino square footage o. of hotel rooms	#	
otal investment in project asino square footage o. of hotel rooms	#	
asino square footage o. of hotel rooms	\$	
o. of hotel rooms	#	
	#	
# food and beverage outlets	#	
Convention center square footage	#	
Retail square footage	#	
Event/entertainment facility square footage	#	
No. of covered parking spaces	#	
No. of surface parking spaces	#	
		4-4-611 Vec - 4
		Operation
No. of annual visitors	*	XXX
% within 100 miles	%	XXX
% of overnight visitors	%	XXX
Annual gross gaming revenue	€ >	XXX
Annual hotel occupancy	%	XXX
Annual hotel revenue	₩	XXX
Annual food and beverage revenue	€\$	XXX
Net income before federal income taxes	49	XXX
Employment and Payroll		
No. of FTE operating employees-total project	#	XXX
Annual operating payroll-total project	€Ð-	XXX

		XXX			XXX	XXX				
	69	↔	↔	क	ક્ર	49				
	ction	Ō	Total incremental public sector revenue-construction	Total incremental public sector costs-construction	Total incremental public sector revenue-operating	Total incremental public sector costs-operating				
Impacts	t-constru	t-operatir	olic sector	lic sector	olic sector	olic sector	Features			
and Fiscal	Total economic impact-construction	omic impac	mental puk	mental puk	mental puk	mental puk	 t Important			
Economic and Fiscal Impacts	Total econe	Total economic impact-operating	Total incre	Total incre	Total incre	Total incre	Three Most Important Features	1	2	3

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 10, 2008

AGENDA ITEM: Discussion, consideration and possible action on potential conflict of interest involving Meridian Business Advisors, a consultant for the Lottery Gaming Facility Review Board, and RED Development, a partner in a proposal to be a lottery gaming facility manager.

PRESENTER: Stephen Martino, Executive Director

ISSUE SUMMARY: Following the Review Board's most recent meeting, Candace Evart, president of Meridian Business Advisors (MBA) in Reno, Nevada, and a consultant for the Review Board, contacted the executive director to inform him of a potential conflict of interest with a party in a lottery gaming facility proposal. RED Development (RED) is a partner is the Legends Sun proposal in the Northeast gaming zone. Prior to the Review Board's previous meeting on March 21, 2008, MBA was unaware that RED was involved in the Legends proposal. Only after a conversation with Professor William Eadington on or about March 21 did MBA realize RED's involvement. Ms. Evart notified the executive director immediately with the following e-mail:

Stephen, regarding the RED/Mohegan Tribe gaming proposal, I didn't connect this with RED Development, which is building "The Legends" in Sparks, Nevada. It was only the name "Legends" that put it all together for me. I apologize for not listing our association with RED Development in our proposal to you. Below is a summary of our involvement in the Sparks project.

We were retained by the City of Sparks to conduct an analysis on The Legends development; our fee was paid by the City of Sparks and RED Development reimbursed the City in the same amount. We sent our proposal to Sparks on March 10, 2004, and the City signed the contract in April 2004.

Our scope of work was as follows: Estimate the sales tax revenue generated by the proposed development and determine the distribution of that revenue to various governmental entities, including the StarBonds District; conduct a fiscal impact analysis estimating the public sector revenue generated by the development and the government costs to service the development (K-12, police, fire, etc.); and conduct an economic impact analysis to estimate the impact on the region (new jobs, increased purchases of good and services). The analyses were based on a development with retail, entertainment, baseball park, RV center and a

casino/hotel. At the time the analysis was completed, it was unknown to us who would own/operate the hotel. It is now public knowledge that the operator will be Olympia Gaming.

We issued our final report in August, 2006. Since then, RED has asked up to update our property tax projections given revisions to the original plan and update our economic impact projections given the revisions. These updates were started in February, 2008 and completed this month. Total billings from April 2004 to now are approximately \$65,000.

After receiving this information, the executive director sought to clarify the involvement MBA and RED. A number of questions (in italics) were submitted to Ms. Evart and MBA. Their answers follow:

- A. Am I correct in understanding that the initial project, which appears to span from April 2004 to August 2006, was done under contract between your firm, MBA, and the City of Sparks, Nevada? Did the City of Sparks pay the bill to your firm?
- 1. March 2004 contract with City of Sparks. Report submitted July 2004.

Scope of Work: Fiscal and economic impact analysis on retail, entertainment, commercial development. No casino/hotel land use identified.

Fee: \$24,200

First Amendment to Contract: September 2005, \$9,000

Scope: Add additional parcels and revise fiscal and economic impact analysis; no casino/hotel land use identified.

Second Amendment to Contract: March 2006, \$18,000

Scope: Additional research, public meetings; no casino/hotel land use identified.

August 2006 fiscal impact analysis report was submitted with two scenarios, one with and one without a casino/hotel. RED Development estimated the casino at approximately 280,000 square feet and hotel at 890,000 square feet. No developer/operator was identified.

2. In January 2008, RED Development contacted MBA to update the property tax revenue estimate and economic impact analysis given changes to the total square footage and land uses of the development. A hotel casino was included in the Legends development with a construction cost of approximately \$600 million as estimated by RED Development. No owner/operator was identified, although it was public knowledge as

reported in the Reno Gazette Journal that it would be Olympia Gaming. The time for this work was billed directly to RED.

- 3. March 2008 RED Development has asked MBA to update the fiscal impact analysis given changes to the total square footage of the development and land uses. As of 3/28/08, we have not started this work and have a meeting next week with the City of Sparks and RED Development to determine if we will pursue it.
- B. It appears that your initial fees were reimbursed by RED Development to the City of Sparks, correct?

Yes, from 2004 through 2006 MBA invoiced the City for all work. The City then was reimbursed by RED. The 2008 work (see 2 above) was billed directly to RED.

C. Am I correct in understanding that the initial report issued by MBA contained analysis of a projected casino/hotel but that there was no operator attached to that aspect of the project during this phase of work?

The initial report in 2004 did not include a hotel/casino (see 1 above.) The August 2006 fiscal impact analysis report was submitted with two scenarios, one with and one without a casino/hotel. RED Development estimated the casino at approximately 280,000 square feet and hotel at 890,000 square feet. No developer/operator was identified (see 1 above). The revision work done in January, February and March 2008 on the property tax revenue and economic impact analysis did identify a hotel/casino land use but did not identify an owner/operator (See 2 and 3 above) although it is common knowledge that Olympia Gaming would be involved as reported in the Reno Gazette Journal.

D. Who requested the supplemental report be prepared, City of Sparks or RED Development? With whom is the contract for the supplement report, Sparks or RED? Who is paying the bill for the supplemental work?

RED Development requested revisions to the 2006 report in January of 2008 due to new estimates of project square footage and inclusion of a hotel/casino. Our scope of work was to update the property tax revenue projections and the economic impact analysis given these revisions. There is no formal contract with RED for this work, only a "gentleman's agreement" or a "handshake". RED is paying for the supplemental work, directly to MBA.

E. It appears that the supplemental report has been completed. Is that correct? Has MBA billed for these services yet? Has it received payment?

MBA has completed the supplemental report comprised of revisions to the economic impact analysis and to the property tax revenue estimate. MBA billed RED \$1,618.75 on January 31, 2008; \$5,990 on February 29; and an estimated \$3,000 to be billed in March 2008. We have received payment for the January billing of \$1,618.75.

F. Did any aspect of the supplemental report concern the hotel/casino project for which now the identified operator is Olympia Gaming, a partner of RED in the Kansas project? If so, what in the report addressed the casino/hotel project? If so, did the identity of the operator impact or play any role in arriving at any projections or conclusions?

The supplemental report included a land use designation for a hotel/casino with a construction cost of close to \$600 million, an estimate given to us by RED Development. No operator/owner was identified in the report, although it was common knowledge that Olympia would be the operator as reported in the Reno Gazette Journal. The supplemental report estimated the property tax revenue generated by the casino at its estimated construction cost of \$600 million and its regional economic impact in terms of job creation and the purchase of goods and services. The identity of the operator did not play any role in arriving at the projections.

Staff is satisfied that MBA alerted the Lottery Gaming Facility Review Board immediately upon learning of RED's involvement in a Kansas casino proposal. At this time, MBA has no active projects for RED, although there are accounts receivable for the work done in January 2008.

BOARD ACTION REQUIRED/REQUESTED: There is no specific action requested of the board. However, the board may determine that some action is appropriate given this information.

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 10, 2008

AGENDA ITEM: Discussion and update on Flunder et. al. v. Kansas Lottery, et. al.

PRESENTER: Patrick Martin, Assistant Attorney General

ISSUE SUMMARY: On March 25, 2008, four Wyandotte County residents filed suit in the Shawnee County District Court against the Kansas Lottery, Kansas Lottery Commission, Kansas Racing and Gaming Commission and the Lottery Gaming Facility Review Board. No individuals were named in this lawsuit, and no monetary damages were requested.

The lawsuit alleges that three proposals in the northeast zone are benefiting from Tax Increment Financing (TIF) or Sales Tax Anticipated Revenue (STAR) bonds, in violation of K.S.A. 74-8753(a). It also alleges that two of those proposals benefit from property that was acquired through eminent domain in violation of K.S.A. 74-8734(i). The plaintiffs in this suit have requested a permanent injunction in this action to prevent the state from contracting with any of these applicants.

Staff is currently investigating all available options regarding this lawsuit and will update the board further during a future executive session.

BOARD ACTION REQUESTED/REQUIRED: None.

FILED BY CLERK K.S. DISTRICT COURT THIRD PUDICIAL DIST

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS

2008 MAR 25 AM 9 08

Mary Ann Flunder;)
Thomas Gordon;)
Domingo Soto; and)
Calvin Vick,)
)
Plaintiffs,)
)
V8.) Case No. 08 C 442
)
The Kansas Lottery;)
The Kansas Lottery Commission;	}
a me a management	í
Lottery Gaming Facility Review Board;	j
and,)
,)
The Kansas Racing and Gaming)
Commission,)
)
Defendants.)
)

FIRST AMENDED PETITION

COME NOW Plaintiffs Mary Ann Flunder, Thomas Gordon, Domingo Soto, and Calvin Vick, by and through their legal counsel, and state for their Petition as follows:

PARTIES

- Plaintiff Mary Ann Flunder is a taxpayer residing at 1236 Grandview Blvd.,
 Kansas City, Kansas.
- Plaintiff Thomas Gordon is a taxpayer residing at 2521 N. 7th St., Kansas City, Kansas.
- Plaintiff Domingo Soto is a taxpayer residing at 1713 Metropolitan, Kansas City,
 Kansas.
- 4. Plaintiff Calvin Vick is a taxpayer residing at 304 Walker Ave., Kansas City, Kansas.

- Defendant Kansas Lottery is an agency of the State of Kansas with its headquarters located at 128 N. Kansas Avenue, Topeka, Kansas 66603.
- 6. Defendant Kansas Lottery Commission is a governmental entity of the State of Kansas with its headquarters located at 128 N. Kansas Avenue, Topeka, Kansas 66603.
- 7. Defendant Lottery Gaming Facility Review Board is a governmental entity of the State of Kansas with its headquarters located at 700 S.W. Harrison, Suite 420, Topeka, KS 66603.
- 8. Defendant Kansas Racing and Gaming Commission is a governmental entity of the State of Kansas with its headquarters located at 700 S.W. Harrison, Suite 420, Topeka, KS 66603.
- 9. All Defendants conduct their official duties pertaining to the Kansas Lottery,
 Kansas Lottery Commission, Lottery Gaming Facility Review Board, and Kansas Racing and
 Gaming Commission in Shawnee County, Kansas.
- 10. This Court has jurisdiction over the parties pursuant to Kan. Stat. Ann. § 60-303 and § 60-304. Venue is proper pursuant to Kan. Stat. Ann. § 60-602 and § 60-603. Jurisdiction and also proper pursuant to the Kansas Expanded Lottery Act § 2(c). See L. 2007, Ch. 110 (hereinafter cited as "the Kansas Expanded Lottery Act").
- 11. All defendants are hereinafter referred to collectively as "Defendants" unless otherwise particularly stated.
- 12. Defendants may be served by serving the Attorney General of the State of Kansas, Stephen Six, Memorial Hall, 2nd Floor, 120 SW 10th Street, Topeka, KS 66612, pursuant to K.S.A. § 60-304(d)(5).

FACTUAL ALLEGATIONS COMMON TO ALL COUNTS

DEFENDANTS' ROLES UNDER THE KANSAS EXPANDED LOTTERY ACT

- 13. The Kansas Lottery is authorized by the Kansas Expanded Lottery Act to operate one lottery gaming facility in the northeast Kansas gaming zone, which is designated as Wyandotte County, Kansas.
- 14. The Kansas Expanded Lottery Act defines a "lottery gaming facility" as "that portion of a building used for the purposes of operating, managing and maintaining lottery facility games."
- 15. The Kansas Lottery Commission is authorized by statute to approve and execute management contracts with prospective lottery gaming facility managers to manage, or construct and manage, on behalf of the State of Kansas and subject to the operational control of the Kansas Lottery, a lottery gaming facility in the northeast Kansas gaming zone, which is designated as Wyandotte County, Kansas.
- 16. The Lottery Gaming Facility Review Board is required by statute to evaluate the management contracts approved and executed by the Kansas Lottery Commission to determine if any is the best possible management contract.
- 17. The Kansas Racing and Gaming Commission is required by statute to evaluate and approve any management contract deemed to be the best possible management contract by the Lottery Gaming Facility Review Board or disapprove any such contract.

THE KANSAS EXPANDED LOTTERY ACT'S LIMITS ON PUBLIC FINANCING OF LOTTERY GAMING ENTERPRISES

- 18. Pursuant to the Kansas Expanded Lottery Act, "[n]o revenue bonds, tax increment financing or similar financing shall be used to finance any part of any lottery gaming enterprise."
 - 19. The Kansas Expanded Lottery act defines a "lottery gaming enterprise" as:[A]n entertainment enterprise which includes a lottery gaming facility authorized

pursuant to the Kansas expanded lottery act and ancillary lottery gaming facility operations that have a coordinated business or marketing strategy.

20. The Kansas Expanded Lottery act defines "ancillary lottery gaming facility operations" as:

additional non-lottery facility game products and services not owned and operated by the state which may be included in the overall development associated with the lottery gaming facility. Such operations may include, but are not limited to, restaurants, hotels, motels, museums or entertainment facilities.

THE KANSAS EXPANDED LOTTERY ACT'S LIMITS ON THE USE OF EMINENT DOMAIN

21. Pursuant to the Kansas Expanded Lottery Act, "[t]he power of eminent domain shall not be used to acquire any interest in real property for use in a lottery gaming enterprise."

THE PROPOSED MANAGEMENT CONTRACTS

- 22. The Kansas Lottery Commission is currently reviewing several applications submitted by entities wishing to enter into a management contract for the construction and management of a lottery gaming facility in Wyandotte County, Kansas. These applications include proposals for both lottery gaming facilities and certain ancillary lottery gaming facility operations proposed to be constructed by the applicant.
- 23. Of these applications currently being reviewed by the Kansas Lottery Commission, three create lottery gaming enterprises that are financed by or directly benefit from STAR bonds, TIF funding, eminent domain condemnations, and/or transportation development district bonds.
- 24. STAR bonds and TIF funding are revenue bonds, tax increment financing or similar financing.
- 25. The pending applications that involve lottery gaming enterprises that are financed by or directly benefit from STAR bonds, TIF funding, eminent domain condemnations and/or

industrial revenue bonds have been proposed by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment.

PINNACLE ENTERTAINMENT

- 26. The lottery gaming facility proposed in the application submitted by Pinnacle Entertainment has a coordinated business and marketing strategy with the Schlitterbahn Water Park.
 - 27. The Schlitterbahn Water Park is a development financed in part by STAR bonds.
- 28. The Schlitterbahn Water Park and the lottery gaming facility proposed by Pinnacle Entertainment will share an interconnected waterway and bridges. Additionally, the sizing of the convention facility proposed in Pinnacle Entertainment's application is correlated to construction of hotel facilities at the Schlitterbahn Water Park.
- 29. In Pinnacle Entertainment's response to a request for proposal issued by the Unified Government of Wyandotte County, Kansas, Pinnacle states that the Pinnacle plan will integrate with the Schlitterbahn Water Park to create a destination that will cater to business and leisure travelers.
- 30. Spokespeople for Pinnacle Entertainment testified before the Unified Government of Wyandotte County, Kansas that Pinnacle Entertainment has agreed to construct additional convention space to accommodate hotel rooms in the Schlitterbahn Water Park.
- 31. Spokespeople for Pinnacle Entertainment also testified before the Unified Government of Wyandotte County, Kansas that the integration of the Pinnacle Entertainment lottery gaming facility with the Schlitterbahn Water Park would creates a super-regional destination.
 - 32. Pinnacle Entertainment, through its subsidiary PNK (Kansas), LLC has executed a

Development Agreement with the Unified Government of Wyandotte County, Kansas, dated December 31, 2007, which provides that Pinnacle Entertainment's "project" will consist of a central water feature connecting the gaming facility with the Schlitterbahn Water Park, as well as the expansion of Pinnacle's convention space from 100,000 square feet to 200,000 square feet after Schlitterbahn develops its planned hotel space.

- 33. The Schlitterbahn Water Park and proposed gaming facility are adjacent to one another, share interconnected walkways and waterways, will capitalize on revenues generated by each other, have agreed to construct their facilities of certain sizes based on the relative size of the other's development and intend to coordinate their developments to create a combined attraction.
- 34. The Schlitterbahn Water Park is an ancillary lottery gaming facility because it is included within the overall development associated with the lottery gaming facility proposed by Pinnacle Entertainment.
- 35. Because the Schlitterbahn Water Park is an ancillary gaming facility that shares a coordinated business and marketing strategy with the lottery gaming facility proposed by Pinnacle Entertainment, the Schlitterbahn Water Park and the lottery gaming facility proposed by Pinnacle Entertainment form a lottery gaming enterprise.
- 36. The lottery gaming enterprise consisting of the lottery gaming facility proposed by Pinnacle Entertainment and the Schlitterbahn Water Park is financed in part by revenue bonds, tax increment financing or similar financing because the Schlitterbahn Water Park is financed by STAR bonds.

LEGENDS SUN

37. The lottery gaming facility proposed in the application submitted by Legends Sun has a coordinated business and marketing strategy with the Legends at Village West entertainment and shopping district.

- 38. The Legends at Village West entertainment and shopping district directly benefits from the use of STAR bonds and TIF funding to acquire land and to develop and build primary infrastructure at the site.
- 39. The Legends at Village West entertainment and shopping district is adjacent to the site of the lottery gaming facility proposed by Legends Sun. The Legends at Village West entertainment and shopping district and Legends Sun share common ownership.
- 40. The use of the common name "Legends" with respect to both the Legends Sun and Legends at Village West is evidence of the coordinated marketing strategy between the Legends Sun lottery gaming facility and the Legends at Village West entertainment and shopping district.
- 41. In Legends Sun's response to a request for proposal issued by the Unified Government of Wyandotte County, Kansas, Legends Sun states because common ownership interest between the Legends Sun the Legends at Village West, tenants at the Legends Sun ancillary gaming facility operations would be chosen so as not to compete with tenants at the Legends at Village West.
- 42. Because the Legends at Village West entertainment and shopping district and the lottery gaming facility proposed by Legends Sun are adjacent to one another, because the Legends and Village West entertainment and shopping districts and Legends Sun share common ownership, and because of the deliberate association of the brand name "Legends" between the Legends Sun lottery gaming facility and the Legends at Village West entertainment and shopping district, their business and marketing strategies are inextricably intertwined, both practically and because of fiduciary responsibilities.
- 43. The application submitted by Legends Sun directly relies upon transportation development district bonds as a funding mechanism.
 - 44. Because of their proximity, their common ownership, and the common use of

the goodwill associated with the brand name "Legends," the Legends Sun and Legends at Village West are part of the overall development associated with a lottery gaming facility.

- 45. The Legends at Village West entertainment and shopping district is an ancillary lottery gaming facility because it is included within the overall development associated with the lottery gaming facility proposed by Legends Sun.
- 46. Because the Legends at Village West entertainment and shopping district is an ancillary gaming facility that shares a coordinated business and marketing strategy with the lottery gaming facility proposed by Legends Sun, the Legends at Village West entertainment and shopping district and the lottery gaming facility proposed by Legends Sun form a lottery gaming enterprise.
- 47. The lottery gaming enterprise consisting of the lottery gaming facility proposed by Legends Sun and the Legends at Village West entertainment and shopping district is financed in part by revenue bonds, tax increment financing or similar financing because the Legends at Village West entertainment and shopping district directly benefits from STAR bonds and TIF funding and because the lottery gaming facility proposed by Legends Sun relies on transportation development district bonds as a funding mechanism.
- 48. Portions of the real property underlying the lottery gaming enterprise consisting of the lottery gaming facility proposed by Legends Sun and the Legends at Village West entertainment and shopping district were acquired by eminent domain or under the threat of eminent domain, therefore, the power of eminent domain was used to acquire an interest in real property for use in the Legends Sun lottery gaming enterprise.

SPEEDWAY ENTERTAINMENT

49. The lottery gaming facility proposed in the application submitted by Speedway

Entertainment has a coordinated business and marketing strategy with the Kansas Speedway.

- 50. The Kansas Speedway benefited from the use of STAR bonds and TIF funding to develop and build primary infrastructure at the site, to pay land acquisition costs, and to construct the speedway grandstand.
- 51. The Kansas Speedway is adjacent to the site of the lottery gaming facility proposed by Speedway Entertainment. The Kansas Speedway and Speedway Entertainment share common ownership.
- 52. Spokespeople for Speedway Entertainment testified before the Unified Government of Wyandotte County, Kansas that the convention space within the Kansas Speedway would be used in conjunction with the Speedway Entertainment lottery gaming facility.
- 53. Spokespeople for Speedway Entertainment also testified before the Unified Government of Wyandotte County, Kansas that it is the intent of Speedway Entertainment and the Kansas Speedway to utilize the amenities available at the Kansas Speedway in order to sell meetings and conventions.
- 54. Because the Kansas Speedway and the lottery gaming facility proposed by Speedway Entertainment are adjacent to one another, because the Kansas Speedway and Speedway Entertainment share common ownership, and because the Kansas Speedway and Speedway Entertainment intend to jointly market the amenities of each development, their business and marketing strategies are inextricably intertwined.
- 55. Because of their proximity, the use of the speedway as an integral part of the development, and their common ownership, the lottery gaming facility and Kansas Speedway are part of the same overall development.
- 56. The Kansas Speedway is an ancillary lottery gaming facility because it is included within the overall development associated with the lottery gaming facility proposed by

Speedway Entertainment.

- 57. Because the Kansas Speedway is an ancillary gaming facility that shares a coordinated business and marketing strategy with the lottery gaming facility proposed by Speedway Entertainment, the Kansas Speedway and the lottery gaming facility proposed by Speedway Entertainment form a lottery gaming enterprise.
- 58. The lottery gaming enterprise consisting of the lottery gaming facility proposed by Speedway Entertainment and the Kansas Speedway is financed in part by revenue bonds, tax increment financing or similar financing because the Kansas Speedway directly benefited from STAR bonds and TIF funding.
- 59. If approved and executed in a management contract, the lottery gaming enterprises proposed by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment will violate the Kansas Expanded Lottery Act's prohibition that: "No revenue bonds, tax increment financing or similar financing shall be used to finance any part of any lottery gaming enterprise."
- 60. Portions of the real property underlying the lottery gaming enterprise consisting of the lottery gaming facility proposed by Speedway Entertainment and the Kansas Speedway were acquired by eminent domain or under the threat of eminent domain, therefore, the power of eminent domain was used to acquire an interest in real property for use in the Speedway Entertainment lottery gaming enterprise.

THE ILLEGAL COLLECTION OF STATE AND LOCAL TAXES BASED ON STAR BONDS, TIF FUNDING, AND TRANSPORTATION DEVELOPMENT DISTRICT BONDS

61. Sales tax revenues are currently being collected or are projected to be collected in Wyandotte County, Kansas to retire the STAR bonds that finance and/or directly benefit the lottery gaming enterprises proposed by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment.

- 62. Tax revenues within TIF districts from Wyandotte County are currently being used to retire TIF bonds that finance and/or directly benefit the lottery gaming enterprises proposed by Legends Sun and Speedway Entertainment.
- 63. Tax revenues will be collected in Wyandotte County to retire transportation development district bonds used to finance the lottery gaming enterprise proposed by Legends Sun.
- 64. Plaintiffs are currently paying sales and/or property tax used to retire the STAR bonds and TIF bonds described in paragraphs 61-62.
- 65. Plaintiffs will be assessed taxes to retire the transportation development district bonds described in paragraph 63.
- 66. Should Defendants approve and execute a management contract based on any of the applications submitted by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment, such a management contract would create a lottery gaming enterprise financed in part by revenue bonds, tax increment financing or similar financing.
- 67. Because the Kansas Expanded Lottery Act prohibits the use of revenue bonds, tax increment financing or similar financing to finance any part of a lottery gaming enterprise, the taxes described in paragraphs 58 though 63 to retire the STAR bonds, provide TIF funding, and retire the transportation development district bonds will become illegal taxes if Defendants approve and execute a management contract based on any of the applications submitted by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment.
- 68. As a result, Plaintiffs will be assessed and made to pay illegal taxes if Defendants approve and execute any management contract based on the applications submitted by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment.

THE ILLEGAL USE OF EMINENT DOMAIN TO ACQUIRE AN INTEREST IN REAL PROPERTY FOR USE IN A LOTTERY GAMING ENTERPRISE

69. Should Defendants approve and execute a management contract based the applications submitted by Legends Sun and Speedway Entertainment, such a management contract would create a lottery gaming enterprise wherein an interest in real property was acquired through the use of the power of eminent domain.

COUNT I - PERMANENT INJUNCTION

- 70. Plaintiff realleges and asserts paragraphs 1 through 69 as if fully set forth herein.
- 71. There is a substantial likelihood that Defendants will approve and execute a management contract based on one of the applications submitted by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment.
- 72. Such a management contract will be in violation of the Kansas Expanded Lottery Act's prohibition on the use of revenue bonds, tax increment financing or similar financing to finance any part of a lottery gaming enterprise.
- 73. A management contract based on the applications submitted by Legends Sun or Speedway Entertainment would be in violation of the Kansas Expanded Lottery Act's prohibition on the use of the power of eminent domain to acquire any interest in real property for use in a lottery gaming enterprise.
- 74. Plaintiff will be made to pay illegal tax as a result of Defendants' approving and executing a management contract based on one of the applications submitted by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment.
- 75. Plaintiff is entitled to a permanent injunction pursuant to Kan. Stat. Ann. § 60-907 against Defendants to enjoin action that would result in the collection of an illegal tax.

WHEREFORE, Plaintiff requests that this Court enter a permanent injunction enjoining Defendants from approving and/or executing any management contract based on the applications submitted by Pinnacle Entertainment, Legends Sun, and Speedway Entertainment. Plaintiff further requests any other and additional relief as the nature of the case may require and as this Court deems just and equitable.

Respectfully Submitted,

Caleb Stegal) #19584

THE STEGALL LAW PIRM

504 Plaza Drive Perry, KS 66073

(785) 597-5777

(785) 597-5766 (fax)

cs@calebstegall.com

Attorney for Plaintiffs

Kansas Lottery Gaming Facility Review Board

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 10, 2008

AGENDA ITEM: Discussion regarding the Review Board's budget

PRESENTER: Stephen Martino, Executive Director

ISSUE SUMMARY: The Kansas Racing and Gaming Commission is charged with providing the Lottery Gaming Facility Review Board with support staff and maintaining the Review Board budget.

The initial Review Board budget for consultants was premised on consultants attending only those meetings at which they were giving presentations. However, the board has indicated an interest in having all consultants attend all meetings of the board. The increased presence of consultants will raise not only travel costs but will increase overall consulting charges for time spent attending additional meetings.

This discussion is intended to clarify the desire of the board and allow staff to develop a budget that reflects what the board wants done along with giving prospective lottery gaming facility managers adequate notice of the charges they will incur for Review Board consideration.

BOARD ACTION REQUESTED/REQUIRED: None